

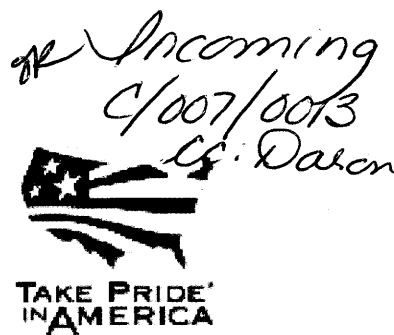
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/>



IN REPLY REFER TO:
SL-066145
SL-066490
U-014218
U-0126947
SL-069291
U-014217
UTU 73516 (LMU)
(UT-923)

SEP 25 2008 DIV OF OIL, GAS & MINING

Mr. Jay Marshall
Chief Engineer and Project Manager
UtahAmerican Energy, Inc.
Lila Canyon Project
P. O. Box 986
Price, UT 84501

RE: Design for Portal Closures of the Geneva Mine in Lila Canyon

Dear Mr. Marshall:

Background: On July 31, 2000 UtahAmerican Energy (UEI) acquired the Federal coal leases which encompass the Geneva Mine (Horse Canyon Mine). Two mine portals located in Lila Canyon previously used for ventilating the Geneva Mine (Horse Canyon Mine) had been sealed upon the completion of mining operations as late as 1993. Due to the location of these permanent seals, which are some 50 to 80 feet in by the brow of the entries into the mountainside, inspections were made and it was determined that a potential safety hazard exists for the public. In order to eliminate the hazard, it was concluded that the portals should be backfilled at the access points to the seal locations to prevent entrance into the entries.

Proposal: In order to preclude entry, UEI is proposing to secure the entries by installing reinforced screening on one entry (old fan/return entry) and barring down and adding loose surface materials to form an MSHA backfill in the second (old intake) entry. The approved screening plan for the old fan/return entry is attached. This design replaces the prior approved UEI submittal. The effectiveness of these barriers will be considered in the BLM review of the future proposed final permanent sealing of these entries.

Affected Leases & LMUs: Although the portals are located on Federal lease SL-066145 this approval also affects the Logical Mining Unit UTU- 73516 which was approved on January 27, 1999.

Inspection: The portals were inspected on two different occasions (May 2, 2006 and June 16, 2006) by representatives from UEI, the Utah Division of Oil, Gas and Mining (UDOGM) and the BLM. It appeared as though there had been no visitation or vandalism since the permanent seals had been installed.

Approval: The BLM approves the construction of the reinforced screening in the old fan/return entry and the backfill method in the old intake entry as temporary mine access barriers.

Conditions of Approval: This approval is subject to the following conditions:

- Annual monitoring and reporting of the reinforced screening and backfill verifying stability and to check for possible vandalism. The reports shall contain a dated photo and is due by May 1 of each subsequent year following construction of the temporary barrier.
- In the event of vandalism to or destruction of the reinforced screening and backfill, a review will be conducted and a plan for corrective action will be made and submitted to BLM for approval within 30 days after the vandalism/destruction is discovered.

This approval does not constitute authorizations as required by other governmental agencies or any other permits necessary to proceed with the project.

If you have any questions, please contact Steve Rigby of the Price Field Office at (435) 636-3604 or Jeff McKenzie of the BLM State Office at (801) 539-4038.

Sincerely,

JAMES F KOHLER

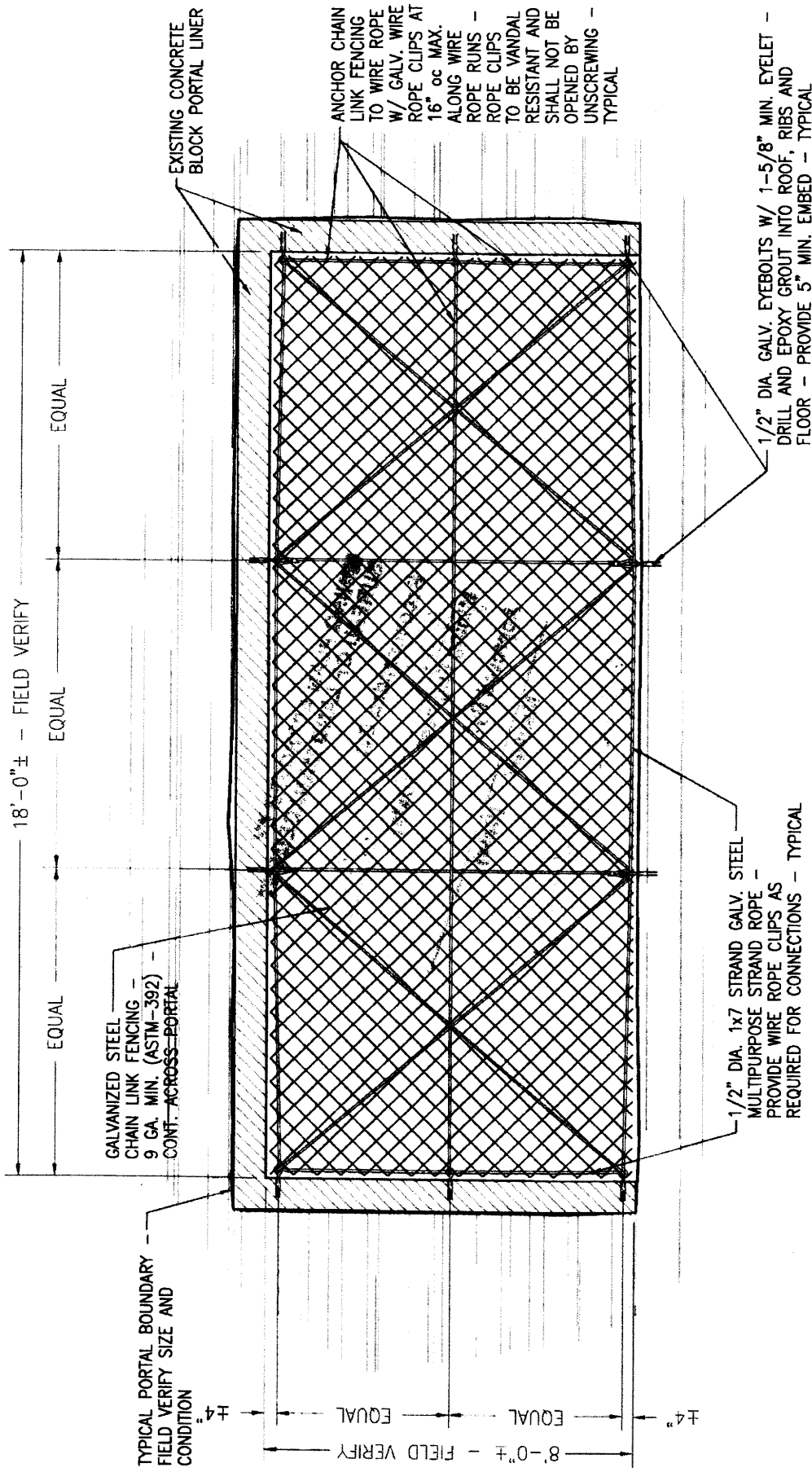
James F. Kohler
Chief, Branch of Solid Minerals

Enclosures:

Approved Construction Design (UEI 12-27-06, rev. 9-12-08)

cc: UT-070, Price Field Office (w/ Enclosure)
Utah Division of Oil Gas and Mining (w/ Enclosure)
Attn: Daron Haddock
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84414-5801

Lila Cyn Portal Closure ApprovalJM-SA-9-22-08



PORTAL ELEVATION

NOTES:
STRUCTURE TO BE USED IN BARRIER APPLICATIONS ONLY. THIS STRUCTURE IS NOT INTENDED TO BE USED AS A SUBSTITUTE FOR AN MSHA APPROVED SEAL.
FIELD VERIFY PORTAL DIMENSIONS PRIOR TO ORDERING ANY MATERIALS OR ANY FABRICATION.

*Appropriate "DANGER" signs to be installed.

UtahAmerican Energy, Inc.

CHAIN-LINK PORTAL BARRIER

LOCATION: **HORSE CANYON MINE**
UTAHAMERICAN ENERGY
CARBON COUNTY, UTAH

DRAWN BY: PJ
SCALE: NONE
APPROVED BY: JM
DATE: 12 SEPT. 2008
SHEET: 1 of 1

794 NORTH 7th CANYON ROAD, EAST CARBON, UTAH 84520
P.O. BOX 910, EAST CARBON, UTAH 84520
PHONE: (435) 888-4000 FAX: (435) 888-4002

ISSUING PLAN APPROVED BY
BUREAU OF LAND MANAGEMENT

Received By: 22 Sept 2008
(Date)

[Signature]
Signing Engineer (Date) 9/22/2008

Approved By: [Signature]
Manager (Date)

*Please add id note.